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SYSTEM OF CONSULTATIONS

Consultations held in 1990 and first quarter of 1991 and plan for technical cooperation follow-up activities

Report by the Director-General

Summary

Submits to the Board for examination and approval the conclusions and recommendations of two Consultations held in 1990/1991 on industrial rehabilitation/restructuring with special focus on food-processing in Africa, and on the wood and wood products industry. An annex provides a plan of follow-up action to those Consultations for technical cooperation activities.

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Introduction

1. The present document is submitted to the Board in accordance with resolution GC.3/Res.2 adopted by the General Conference at its third session and specifically paragraph 7 in which the Director-General was requested to present to the Board the conclusions and recommendations of each Consultation for examination and approval together with a plan for technical cooperation follow-up activities for guidance.

I. CONSULTATIONS HELD IN 1990 AND FIRST QUARTER OF 1991

2. A number of Consultations, follow-up activities, preparatory meetings and other related activities originally scheduled for 1990 had to be postponed either because of financial constraints or because of the situation in the Gulf. The regional Consultation on the petrochemical industry in the Arab countries scheduled for late 1990 had to be postponed until 1992, while the Consultation on Wood and Wood Products took place from 21 to 25 January 1991, instead of December 1990. The Consultation on Building Materials was also postponed from 1990 to the last quarter of 1991.

3. A brief summary is given below of the two Consultations held since the sixth session of the Board.

Regional Consultation on Industrial Rehabilitation/Restructuring with Special Focus on the Food-Processing Subsector in Africa

4. The report of the Consultation, which was held in Vienna, Austria, from 12 to 16 November 1990, is contained in document ID/373. The Consultation emphasized the central role played by food-processing industries in the economic and social development of the African region, and in that context the effective implementation of rehabilitation and restructuring programmes and projects was considered essential. UNIDO was called upon to help African countries to draw up strategies and plans for the rehabilitation of enterprises, and recommendations were addressed to the Governments concerned to consider the rehabilitation and restructuring of ailing industries as an integral part of their national industrial development policies and to give priority to the consolidation of the existing industrial fabric. The formulation of coherent and enduring rules for investments in private and public enterprises was considered indispensable to

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encourage private initiative in that field. In order to ensure the long-term viability and profitability of the African food-processing industries concrete measures were proposed, among others: to establish appropriate mechanisms in African countries to bridge the growing gaps between research and development capabilities and the technological needs of the food-processing industry; to use proven and well-tested technology adapted to local conditions for rehabilitating projects; and to fund projects through development finance institutions in order to ensure the completion of the projects and to attain their planned production and economic objectives. In particular, the Consultation recommended earmarking resources for working capital and its foreign exchange component at preferential interest rates.

5. The Consultation stressed the importance of management, particularly for public enterprises. For top managers as well as middle managers continuous training should be provided in the theory as well as in the practice of appropriate management techniques. The Consultation recognized that the rehabilitation of food-processing industries in Africa offered a wide range of opportunities for cooperation between African countries and industrialized countries, notably at the enterprise-to-enterprise level. It was felt that such opportunities should be used to introduce technology, machinery and equipment adapted to African values, concepts and ideas. The international organizations concerned with multilateral assistance for the implementation of structural adjustment programmes in Africa were also called upon to consider the need of African States to develop and/or improve their physical infrastructure. The rational allocation of resources for this purpose would contribute to the integration of agriculture and industry.

Second Consultation on the Wood and Wood Products Industry

6. The report of the Consultation, which was held in Vienna, Austria, from 21 to 25 January 1991, is contained in document ID/374. The Consultation underlined the importance of secondary wood-processing industries in the overall economy of developing countries as a source of value-added earnings and foreign exchange from the export of processed wood products. However, as the exploitation of forests for the production of industrial timber can contribute to deforestation and ecological damage, the Consultation urged that proper management of the natural forests as well as expansion of plantations should be part of national policies aimed at the development of the wood industry sector.

7. A comprehensive set of recommendations was adopted for mobilizing international cooperation, financing and marketing. UNIDO was requested to implement an operational plan of action based on those recommendations and an immediate follow-up was called for including the conduct of pilot projects or pilot demonstrations in developing countries. Recommendations were made for greater utilization of wood in housing and construction in order to decrease dependence on imported building materials and for the production of furniture at international standards for export markets. The implementation of these two recommendations requires, however, appropriate government support through adequate legislation and the creation of a suitable infrastructure including a favourable investment climate and market promotion instruments. UNIDO and other international organizations were requested to continue to assist developing countries in the development of integrated industrialization programmes in the wood sector, and in particular the promotion of the secondary wood-processing industry.

II. PLAN OF ACTION FOR TECHNICAL COOPERATION ACTIVITIES

8. The UNIDO Advisory Committees concerned with each of the two Consultations mentioned above have elaborated plans of follow-up action listing follow-up activities mostly oriented towards technical cooperation and policy advice. The plans identify main and supporting responsibilities for the implementation of the recommendations, indicating the in-house responsibilities as well as those organizational units in the Secretariat which are to exercise lead and support functions. The plans for each of the Consultations appear in the attached annex in tabular form. They provide the context whereby UNIDO could enhance its technical and promotional activities on the basis of the conclusions and recommendations of the two Consultations.

III. ACTION REQUIRED OF THE BOARD

9. The Board is invited to examine and approve the conclusions and recommendations of the Consultations held during 1990 and the first quarter of 1991, which are contained in documents ID/373 and ID/374, and to provide guidance on the plans of follow-up action contained in the annex to the present document.

Annex

PLAN OF FOLLOW-UP ACTION

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Explanatory note

The main features of the recommendations as they appear in the reports of the Consultations (documents ID/373 and ID/374) have been summarized briefly in the left column of the tables. The next column lists organizations to whom the recommendations are addressed. In the last column, entitled "In-house responsibility", the units in the UNIDO Secretariat having the lead responsibility for initiation of activities have been indicated, as well as those having a supporting function. It is to be understood that the proposed programmes and projects would be carried out subject to availability of funds and, in the case of technical cooperation projects, receipt of an official request from the Government.

Abbreviations

ADB	African Development Bank
AGRO	Agro-based Industries Branch
AREA	Area Programmes Division
CIBW18B	International Council for Building Research Studies and Documentation Working Commission 18B - Tropical and Hardwood Timber Stuctures
CLAS	Commercially less-accepted species
CONSULT	System of Consultations Division
COOP	Industrial Co-operation Branch
CSIRO	Commonwealth Scientific Industrial Research Organization
ECA	Economic Commission for Africa
EGM	Expert group meeting
ENG	Engineering Industries Branch
ENV	Environment Co-ordination Unit
EPL	Department of External Relations, Public Information, Language and Documentation Services
FAO	Food and Agriculture Organization of the United Nations
Habitat	United Nations Centre for Human Settlements
ICFM	Industrial Co-operation and Funds Mobilization Division
IFC	International Finance Corporation
IHRD	Industrial Human Resource Development Branch
II	Industrial Investment Division
IIS	Industrial Institutions and Services Division
IMR	Industrial Management and Rehabilitation Branch
INFR	Institutional Infrastructure Branch
IO	Department of Industrial Operations
IO/I	Industrial Operations Technology Division
IPCT	Department for Industrial Promotion, Consultations and Technology
IPP	Industrial Policy and Perspectives Division
ISO	International Standards Organization
ITC	International Trade Centre UNCTAD/GATT
ITTO	International Tropic Timber Organization
IUFRO	International Union of Forestry Research Organizations
NGO	Section for Co-operation with Non-governmental Organizations
OS	Industrial Operations Support Division
PDS	Programme Support Unit
PPD	Department for Programme and Project Development
PLAN	Industrial Planning Branch
PRC	Project Review Committee
REG	Regional and Country Studies Branch
R&D	research and development
SMA	Special Measures and Activities Division
SMI	small- and medium-scale industries
STF	Special Trust Fund Projects Section
TD	Industrial Technology Development Division
TFAP	Tropical Forest Action Plan
TP	Industrial Technology Promotion Division
TP/INF	Industrial and Technological Information Section
UNCTAD	United Nations Conference on Trade and Development
UNEP	United Nations Environment Programme

Table 1

PLAN OF FOLLOW-UP ACTION*

REGIONAL CONSULTATION ON INDUSTRIAL REHABILITATION/RESTRUCTURING WITH SPECIAL FOCUS ON THE FOOD-PROCESSING SUBSECTOR IN AFRICA
(Vienna, Austria, 12-16 November 1990)

ISSUE 1: Measures for the rehabilitation of enterprises in the food-processing subsector in Africa

RECOMMENDATIONS		FOLLOW-UP ACTIVITIES	
Main Features	Addressed to	Action required	In-house responsibility
(a) Setting up of conditions and criteria for successful rehabilitation and sustainable operation of African food-processing enterprises	Governments and industry	Advice on policy and development of rehabilitation programme	Lead Unit: PPD/AREA Supporting Units: PPD/IPP/REG, IO/IIS/PLAN
(b) Assessment of needs and policies for Human Resource Development	Governments, industry, training institutions	Development of training programmes for staff at all levels	Lead Unit: PPD/AREA Supporting Unit: IO/OS/IHRD
(c) Identification of technologies suitable to African conditions; establishment of mechanism for their diffusion through possible partnership arrangements	Governments, industry, UNIDO	Expert group meeting to exchange substantive views and experiences to promote North-South and South-South cooperation	Lead Units: IPCT/CONSULT, IPCT/TP Supporting Units: IO/T/AGRO, IO/IIS/IMR
(d) Establishment of a data bank on sources of production equipment and machinery for the food-processing subsector	UNIDO	Update data bank with emphasis on food technology and equipment	Lead Unit: IPCT/TP/INF Supporting Unit: IO/T/AGRO

* The present Plan of follow-up action should be considered in conjunction with the Report of the Consultation (document ID/373). It should be noted that the Advisory Committee on the Industrial Rehabilitation/Restructuring is the mechanism for monitoring the implementation of the Plan of follow-up action. Follow-up activities are mostly oriented towards technical cooperation and policy advice.

Table 1 (continued)

ISSUE 2: National policies and support action for industrial restructuring for the long-term profitability of the food-processing industry: international cooperation and financing for industrial restructuring in Africa

RECOMMENDATIONS		FOLLOW-UP ACTIVITIES	
Main Features	Addressed to	Action required	In-house responsibility
(a) Improvement or creation of proper economic climate conducive to encouraging private investment from local as well as foreign sources	Governments and industry	Improvement and/or re-orientation of investment policies adapted to each country's environment	Lead Unit: PPD/AREA Supporting Unit: IO/IIS/PLAN
(b) Strengthening/establishing link between Government, industry and research institutions for technology development and transfer to meet technological requirements of the food-processing subsector	Governments, industry and research institutions	Creation and/or strengthening of national research institutions linked to industry. Training of national staff	Lead Unit: PPD/AREA Supporting Units: IO/IIS/INFR, IO/OS/IHRD
(c) Innovative financing schemes to acquire, on bilateral or multilateral basis, the required technological options for machinery and equipment	Governments, regional banks, UNIDO, IFC, World Bank, donor countries, etc.	Mobilization of funds through the support of financial institutions and other donors	Lead Unit: IPCT/II Supporting Units: PPD/ICFM/PRC, PPD/ICFM/COOP/STF
(d) Provision of adequate and sufficient funds by development finance institutions/commercial banks to ensure successful rehabilitation programmes	Governments, regional banks, commercial banks and World Bank	Governments to investigate the best possible solutions for meeting their requirements. UNIDO should play a catalytic role	Lead Unit: PPD/ICFM/COOP/STF
(e) Formulation of strategies and policies for the rehabilitation of food-processing enterprises	Governments, ECA, UNIDO, donor countries	Development of programmes and projects of technical co-operation supported by studies on request and organization of EGMs	Lead Unit: PPD/AREA Supporting Units: PPD/IPP/REG, IPCT/CONSULT
(f) Access to regional and international markets by export-oriented food-processing industries	Governments, ITC, UNCTAD	UNIDO to sensitize ITC and UNCTAD in market studies and export promotion	Lead Unit: EPL/Geneva Liaison Office

Table 1 (continued)

RECOMMENDATIONS		FOLLOW-UP ACTIVITIES	
Main Features	Addressed to	Action required	In-house responsibility
(g) Support to the agriculture/industry dynamic through the improvement of African physical infrastructure	Governments, ADB and World Bank	Opening the access between rural and urban areas in African countries	Lead Unit: PPD/AREA Supporting Unit: IO/IIS/INFR
(h) Dissemination of data on suppliers of technology, machinery and equipment for the food-processing subsector	UNIDO	Provide required information to Governments, industries, research institutions in African countries	Lead Unit: IPCT/TP/INF

Table 2

PLAN OF FOLLOW-UP ACTION*

SECOND CONSULTATION ON THE WOOD AND WOOD PRODUCTS INDUSTRY
(Vienna, Austria, 21-25 January 1991)

ISSUE 1: Measures to strengthen an environmentally sound sustainable supply of timber resources

RECOMMENDATIONS		FOLLOW-UP ACTIVITIES	
Main Features	Addressed to	Action required	In-house responsibility
(a) Land use policies concerning conversion of forests in conformance with overall national interest	Governments, FAO	Assistance/advice on request	Lead Unit: None Other UN organizations: FAO
(b) Forest management plans under TFAP framework. Secondary wood processing industries matched to the supply of timber resources	Governments, UNIDO, FAO	Assistance/advice on request. Participation of technical staff in meetings of TFAP and ITTO to be funded for a 3-year period	Lead Unit: IO/IIS/IMR Support Unit: IPCT/CONSULT
(c) Importance of fora such as ITTO for formulation of common plans of action	UNIDO, FAO	UNIDO to participate in international forums to formulate plans of action and projects	Lead Unit: IO/IIS/IMR Support Unit: IPCT/CONSULT

* The present Plan of follow-up action should be considered in conjunction with the Report of the Consultation (document ID/374). It should be noted that the Advisory Committee on Wood and Wood Products is the mechanism responsible for monitoring the implementation of the Plan of follow-up action. Follow-up activities are mostly oriented towards technical cooperation and policy advice.

Table 2 (continued)

RECOMMENDATIONS		FOLLOW-UP ACTIVITIES	
Main Features	Addressed to	Action required	In-house responsibility
(d) Promotion of international trade through market information, marketing studies and training in marketing	UN regional commissions, ITC, FAO	UNIDO to continue to cooperate with ITC and to carry out an analysis relating to international trade and marketing of products	Lead Unit: PPD/IPP Support Unit: IPCT/CONSULT
(e) Studies on wood product end-uses and markets	UNIDO and other international organizations	UNIDO to cooperate in drawing up terms of reference/carrying out the studies	Lead Unit: PPD/IPP Support Unit: IPCT/CONSULT
(f) More efficient utilization of wood through waste-reducing and recycling measures	UNIDO and other international organizations	UNIDO to cooperate in preparing plan for waste reduction and recycling. Overall consideration of efficiency in shuttering and temporary structure works. Distribution of existing information. On-site practice	Lead Unit: IO/IIS/IMR Support Unit: PPD/SMA/ENV
(g) More efficient use of fuelwood and other energy resources	FAO in cooperation with UNIDO and other international organizations	UNIDO to provide assistance and advice on request on efficient use of fuelwood and other energy resources in industrial processes	Lead Unit: IO/T/ENG Support Units: IO/OS/IHRD, IPCT/TP, IPCT/TD

Table 2 (continued)

ISSUE 2: Greater utilization, on a sustainable basis, of wood including commercially less-accepted species and plantation species as a source of indigenous building material in housing and construction

RECOMMENDATIONS		FOLLOW-UP ACTIVITIES	
Main Features	Addressed to	Action required	In-house responsibility
(a) Increased use of CLAS and plantation species	Governments and international organizations and Habitat	Setting up market info services. Formulation of market studies and surveys on housing needs	None Other UN organizations: ITC, Habitat
i. Improved information on CLAS and plantation species in construction	UNIDO, international organizations and research institutes	UNIDO to prepare guidelines and assist in dissemination of tech. information; to continue and increase holding of technical seminars. Co-operation with CSIRO in finding funding to reprint and distribute their reference publications work on CLAS including diskettes on properties and names	Lead Unit: IO/IIS/IMR
ii. Wood construction standards/codes including grading, dimensioning, preservation and fire safety	UNIDO, national standard organizations and ISO	UNIDO to draw attention to the need for and assist in formulation of standards/codes and their diffusion by seminars/courses	Lead Unit: IO/IIS/IMR
(b) Associate the private sector in demonstration projects	Governments	UNIDO to promote and provide assistance and advice on request	Lead Unit: PPD/ICFM Support Unit: IO/IIS/IMR

Table 2 (continued)

RECOMMENDATIONS		FOLLOW-UP ACTIVITIES	
Main Features	Addressed to	Action required	In-house responsibility
(c) Legislation for promoting use of CLAS and plantation species in housing and construction	Governments	UNIDO to promote and provide assistance and advice on request	Lead Unit: IO/IIS/IMR
(d) Research programmes for greater use of wood in construction	Governments and international organizations	UNIDO to provide support followed by effective dissemination	Lead Unit: IO/IIS/IMR
(e) Twinning arrangements between institutions	Governments and international organizations	UNIDO/IUFRO to expand data banks and disseminate information and to support CIBW18B involvement	Lead Unit: IO/IIS/IMR
(f) Networking for transfer of technology in particular in conversion and use of rubberwood, coconutwood and bamboo in construction	Governments, international organizations and industry	UNIDO, Habitat, FAO, IUFRO, CIB to gather information available and disseminate it	Lead Unit: IO/IIS/IMR Support Units: IPCT/TP, IPCT/TD
(g) Building standards, building components and structures	International organizations	UNIDO and other int'l organizations such as CIB to publish manuals and other training material and to organize workshops for civil engineers and architects	Lead Unit: IO/IIS/IMR Support Units: IO/OS/IHRD, IPCT/CONSULT

Table 2 (continued)

ISSUE 3: Prerequisites for the integrated development of the secondary wood-processing industry

RECOMMENDATIONS		FOLLOW-UP ACTIVITIES	
Main Features	Addressed to	Action required	In-house responsibility
(a) Development of integrated industrialization programmes	Governments and international organizations	FAO/UNIDO to promote and provide assistance and advice on request	Lead Unit: PPD/SMA/PDS
(b) Importance of environmentally sound techniques	Governments	UNIDO/UNEP to promote and provide assistance and advice	Lead Unit: PPD/SMA/ENV
(c) Establishment of productivity centres. Setting up pilot units	Governments and international organizations	UNIDO to promote and provide assistance and advice on request	Lead Unit: IO/IIS/IMR
(d) CLAS to be included in forest inventories	Governments	Assistance and advice on request	Lead Unit: None Other UN organizations: FAO
(e) Training of trainers, wood specialists and managers	Governments and international organizations	UNIDO to assist in formulation, promotion and implementation of training programmes	Lead Unit: IO/IIS/IMR Support Unit: IO/OS/IHRD
(f) Information on training programmes and training audio-visual resources	International organizations	UNIDO to establish and update info on training in wood industry and audio-visual material	Lead Unit: IO/IIS/IMR Support Unit: IO/OS/IHRD
(g) Production of audio-visual training material	International organizations	UNIDO to coordinate with R&D and training centres in developed and developing countries to produce and distribute audio-visual training material	Lead Unit: IO/IIS/IMR

Table 2 (continued)

RECOMMENDATIONS		FOLLOW-UP ACTIVITIES	
Main Features	Addressed to	Action required	In-house responsibility
(h) Development of standards for wood products and introduction of quality labels	National standard institutes	UNIDO in cooperation with ISO and ITC to provide assistance and advice on request	Lead Unit: IO/IIS/IMR
(i) Industrialists to participate in the work of the shippers councils	National industry	Promotional work	Lead Unit: None Other UN organizations: UNCTAD
(j) Information on investment conditions at country level	UNIDO	UNIDO to set up info from its data base	Lead Unit: IPCT/II
(k) Establishment of mutual guarantee funds for SMI and of credits for pilot operations	UNIDO and international financial agencies	UNIDO to study possibilities	Lead Unit: IPCT/II
(l) Intensification of partnership programmes and support campaign for foreign investment	UNIDO	UNIDO to develop model programmes of partnership and to promote and circulate them	Lead Unit: IPCT/II Support Unit: PPD/NGO
(m) Promotion of legislation and industrial environment favourable to investments	Governments	UNIDO to advise on investment measures	Lead Unit: IPCT/II

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SYSTEM OF CONSULTATIONS

Proposals by the Director-General

Summary

Submits for approval a proposed adjustment to the programme of Consultations for the biennium 1992-1993 as well as measures for enhancing the role and efficiency of the System of Consultations.

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Introduction

1. The proposals of the Director-General for the programme of Consultations for the biennium 1992-1993 as contained in document IDB.6/6, chapter I, were endorsed by the Board in its decision IDB.6/Dec.5 of June 1990. Since then developments have taken place which would require the introduction of some adjustments to the programme of Consultations for that biennium.

2. In decision IDB.6/Dec.5, the Board, recalling General Conference resolution GC.3/Res.2 on the evaluation of the System of Consultations, requested the Director-General - in order to avoid duplication of effort, to improve the administration of allocated resources and increase the efficiency of the activities under the System of Consultations - to ensure the strengthening of both internal coordination within UNIDO and external coordination with the relevant regional organizations in the preparations for, and follow-up to, the Consultations scheduled. The Director-General was further requested to finance on a more secure and foreseeable basis the follow-up activities of the System of Consultations. In that context, the attention of the Board is drawn below to a number of activities and measures for enhancing the efficiency of the System of Consultations. Some of these activities and measures were a result of the recommendations of the evaluation of the System of Consultations and were introduced as a follow-up to the subsequent plan of implementation proposed by the Director-General (see GC.3/20 and General Conference resolution GC.3/Res.2, para. 1). Other measures are proposed for the consideration of the Board.

I. PROGRAMME OF CONSULTATIONS FOR THE BIENNIUM 1992-1993

3. At its sixth session, the Board approved the following programme of Consultations for the biennium 1992-1993 (IDB.6/Dec.5 (e)):

- Regional Consultation on animal feed and related industries in Africa
- Regional Consultation on industrial utilization of medicinal plants in Asia and the Pacific
- Regional Consultation on the restructuring of the capital goods industry in Latin America and the Caribbean
- Consultation on downstream petrochemical industries
- Consultation on the construction industry in the developing countries
- Consultation on consulting engineering services.

4. As mentioned in the Annual Report of UNIDO 1990 (IDB.8/10, chap. III, para. 18) the regional Consultation on the petrochemical industry in the Arab countries, originally scheduled for 1991, was postponed because of the situation in the Gulf and is currently planned for 1992.

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5. In order to accomodate that Consultation it is proposed that the Consultation on the topic of consulting engineering services be postponed to the 1994-1995 biennium.

II. MEASURES FOR ENHANCING THE EFFICIENCY OF THE SYSTEM OF CONSULTATIONS

6. As a follow-up to the recommendations emanating from the evaluation of the System of Consultations and the Director-General's plan for their implementation (GC.3/20) and the recommendations on the subject by the General Conference (GC.3/Res.2) and by the Board (IDB.6/Dec.5) a number of measures have been initiated to streamline the functioning of the System of Consultations while maintaining its effectiveness and to integrate it more closely in the overall functioning of the Secretariat particularly in relation to technical cooperation and investment promotion. These measures are concerned with several substantive and organizational aspects. Others are of an economy nature.

7. Wherever possible, Consultation activities are being integrated in larger technical cooperation projects. The example of the leather programme is well known. A more recent example is the preparatory work for the regional Consultation on the restructuring of the capital goods industry in Latin America and the Caribbean: the relevant studies and meetings are being implemented under the umbrella of a large regional Latin American technical cooperation project on the restructuring of the capital goods industry which is financed by several donor countries, and implemented by the Department of Industrial Operations.

8. The panel of experts established by the System of Consultations on the leather industry has been successful in establishing a whole integrated technical cooperation programme for UNIDO in this sector. A similar panel is under active consideration for the sugar industry while steps have been taken towards the creation of relevant panels for the non-ferrous, petrochemicals and capital goods sectors. Regional programmes in the sugar industry along the lines of the Group of Latin American and Caribbean Sugar Exporting Countries (GEPLACEA) are also being considered for Africa and Asia and the Pacific.

9. The growing tradition of organizing regional Consultations is not only resulting in a greater focus of recommendations for action at the national level but also in a notable increase of recommendations directed at activities for economic and technical cooperation among developing countries (ECDC/TCDC) in the respective regions. More concretely, this has led to the innovative approach of developing programmes of industrial complementarity between several countries in a region, e.g. the programme on production complementarities in the aluminium industry within South America and the Caribbean region emanating from the regional Consultation on the non-ferrous metals industry in Latin America. This same Consultation also recommended the establishment of some regional projects to help develop this sector on a firm footing. The System of Consultations is also increasing its cooperation in the area of ECDC with the corresponding organizational unit in UNIDO, particularly in follow-up activities to the Consultations.

10. The success of regional Consultations has in many ways opened a new and interesting avenue for the System, namely the organization of national Consultations on a specific industrial subsector or activity. Some Member States have expressed interest in organizing Consultations to deal with specific problems they face and for which regional or international assistance would be needed. One Member State has expressed interest in organizing such a Consultation on non-ferrous metals, another on patents in the pharmaceutical industry. The System has acquired the appropriate expertise to assist Member States through the organization of such national Consultations particularly at sectoral policy levels. Important fields in question would be industrial rehabilitation, small- and medium-scale industries, manpower development, industrial maintenance, environmental protection, in addition to specific industrial subsectors covered by the System of Consultations.

11. The expertise of the System of Consultations in tackling problems of the development of specific industrial sectors in an integrated and comprehensive manner at the regional and country levels will be used in identifying technical cooperation programmes and projects in developing countries through the participation of its staff in multi-disciplinary joint programming missions.

12. Overall in-house cooperation is being enhanced by consolidating the role of the Advisory Committees which have become closely associated in the preparation for, conduct and follow-up of Consultations. The active and sound cooperation of all relevant sections of UNIDO Secretariat was clearly demonstrated at the last two Consultation meetings held in Vienna on industrial rehabilitation/restructuring with special focus on the food-processing subsector in Africa and the Second Consultation on the wood and wood products industry. More concretely, the follow-up role is being institutionalized through the preparation of a plan of action for the implementation of the recommendations of Consultations, generation of technical cooperation and monitoring of actions to be undertaken by specific organizational units in the Secretariat.

13. In an effort to tap all available resources in the Secretariat, greater emphasis is being put on cooperation within the Department for Industrial Promotion, Consultations and Technology, particularly with the Industrial Investment Division and the Technology Development and Technology Promotions Divisions; a number of activities are being identified where pooling of expertise and financial resources would contribute more effectively to the output of the Department for Industrial Promotion, Consultations and Technology as a whole Department.

14. Cooperation with other United Nations organizations and specialized agencies is increasing through their active participation in the Consultations and related preparatory work as well as through their joint organization and co-sponsoring of Consultations and expert group meetings. The United Nations Centre for Human Settlements (Habitat), for example, joined in the organization of the Second Consultation on Wood and Wood Products Industry, while the Food and Agriculture Organization of the United Nations was heavily involved in the preparation of that Consultation. The Consultation on building materials to be held in the second half of 1991 is being co-sponsored by Habitat. Negotiations are

under way for co-sponsoring by the World Health Organization of the regional Consultation on industrial utilization of medicinal plants in Asia which is planned for the 1992-1993 biennium. Close links have also been established and joint activities are being intensified with the International Labour Organisation, the United Nations Educational, Scientific and Cultural Organization, the United Nations Conference on Trade and Development, the International Trade Centre UNCTAD/GATT and other United Nations organizations. Joint activities are furthermore being expanded with the regional economic commissions, e.g. with the Economic and Social Commission for Asia and the Pacific in the fisheries sector and with the Economic Commission for Latin America and the Caribbean in the capital goods sector, as well as with intergovernmental organizations such as the Arab Company for Drugs and Medical Applications (ACDIMA), the Arab Industrial Development and Mining Organization, the Gulf Organization for Industrial Consulting, the Latin American Economic System, the Latin American Integration Association and the Organization of Arab Petroleum Exporting Countries.

15. Cooperation is also being intensified with non-governmental organizations, major national industrial corporations and professional associations and universities. For example, two meetings recently held in Pakistan as a follow-up to Consultations have been co-organized and co-financed by the Pakistani Sugar Mills Association and National Fertilizers Corporation. A workshop on technological cooperation among developing countries in the development of pharmaceutical-related ancillary industries, which is to be held at Amman, Jordan in November 1991, is being co-organized with ACDIMA, and another workshop on the industrial utilization of medicinal and aromatic plants to be held in late 1991 at Milan, Italy, is being co-organized with the Italian group INDENA (Inverni della Beffa).

16. In order to give the opportunity to, and ensure the active participation of, all experts attending a Consultation the issues selected for the Consultation will be considered by one working group instead of several working groups as was done in the past. This is of importance - particularly for developing countries who usually send one participant only for the discussions of all the issues. This measure, while improving the efficiency of the Consultations, will also lead to greater economy in the organization of the meetings. Concrete results expected are: enhanced interaction and contribution of all participants on all issues; reduction of the requirements for interpretation and translation services with a consequent reduction of their cost by almost half; and improved drafting of conclusions and recommendations.

17. Greater efforts are being deployed in the preparation for the Consultations, the selection of issues and background documentation, the use of in-house expertise, ensuring that participants attending the Consultation have the proper profile, attaining greater diversity of representation, particularly private entrepreneurs, industry specialists, non-governmental organizations and financial institutions. These measures are yielding improved output, more action-oriented recommendations, better policy orientation and larger number of technical cooperation and investment project opportunities.

18. Wherever possible, the working languages at the Consultations are being reduced, especially in the case of regional Consultations to cover the actual needs, and exceptions are made only when an overwhelming requirement for additional languages prevails. The reports of Consultations, however, continue to be prepared in the six official languages of UNIDO.

19. In summary, the measures proposed include: improved integration of activities of Consultations into technical cooperation programmes and projects; augmenting the role of Advisory Committees in fostering in-house cooperation for preparation, implementation, and follow-up monitoring of Consultations; increasing the number and enhancing the role of panels covering specific sectors as funds permit; giving a new ECDC/TCDC dimension to regional Consultations and working towards launching national Consultations; expanding and intensifying cooperation and contacts with United Nations agencies, international, intergovernmental and non-governmental organizations as well as large national corporations, professional associations and universities. With regard to the conduct of Consultations, the following economy measures are proposed: reduction in the number of working groups, better targeting of the profile of participants to Consultations and reduction, wherever possible, in the number of working languages.

III. ACTION REQUIRED OF THE BOARD

20. The Board may wish to approve the proposed adjustment to the programme of Consultations for the biennium 1992-1993 proposed in paragraphs 4 and 5 above and the proposed measures for enhancing the role and efficiency of the System of Consultations as summarized in paragraph 19.